

FTAA - TRADE NEGOTIATIONS COMMITTEE

METHODS AND MODALITIES FOR NEGOTIATIONS

General Principles

Negotiations in goods and services shall be consistent with GATT 1994 Art. XXIV and GATS Art. V.

Differences in the levels of development and size of economies shall be taken into account in the development of proposals, offers and throughout the negotiation process in accordance, *inter alia*, with the guidelines and directives established by the TNC at its Ninth Meeting held in Nicaragua in September 2001 and reflected in document FTAA.TNC/18.

There shall be progressive liberalization in agricultural and non-agricultural goods, services, investment and government procurement.

Offers shall be contingent on the overall results of the negotiations.

General Instructions for the Negotiating Groups

The Groups shall initiate market access negotiations on 15 May 2002.

Offers for agricultural and nonagricultural products, services, investment, and government procurement shall be presented in accordance with the following timetable:

Presentation of offers: between 15 December 2002 and 15 February 2003.

Submission of requests for improvements to the offers: between 16 February 2003 and 15 June 2003

Initiation of process for the presentation of revised offers: 15 July 2003.

A country may have access to the offers made by the other countries only once it has submitted its own offer.

Technical assistance shall be provided to the countries that need such assistance to prepare their government procurement offers. These countries shall submit their offers no later than 15 July 2003.

NEGOTIATING GROUPS ON MARKET ACCESS AND AGRICULTURE

Scope of the Negotiations

The entire tariff universe shall be subject to negotiation.

Base Tariff

The base tariff shall be the MFN applied tariff on the date of notification. Such notification shall occur between 15 August and 15 October 2002.

CARICOM shall make its best efforts to notify its base tariff before the Ministerial meeting in Quito, but in any event it shall do so no later than 14 December 2002. The base tariff to be used by CARICOM countries for a limited list of goods shall be no higher than that allowed under WTO obligations.

The regional sub-groupings that have a common external tariff shall notify the tariff for the purposes of the base tariff, even if one of the member countries may be availing itself of temporary exceptions to the CET. The option to adjust it by 15 April 2003 is retained, at which time it shall be notified for the purposes of the base tariff.

For groups of countries developing a common external tariff, the base tariff shall be the applied tariff as at 1 January 2004, which shall be equivalent to the tariff notified by 15 April 2003. This tariff would include the adjustments to the base tariff that was initially notified.

Type of Tariff Concessions

Tariff elimination shall be linear, with the possibility of non-linear exceptions.

Schedules and Paces for Tariff Elimination

The schedules and paces for the progressive elimination of tariffs shall comprise four phases. The four phases shall be: immediate, no more than 5 years, no more than 10 years, and longer.

Each country shall make significant offers for immediate tariff elimination.

Methods for Making Concessions

The NGMA and the NGAG are instructed to coordinate and submit to the TNC at its next meeting their proposals for making concessions. The work on these proposals shall take into account the Guidelines and Directives for the Treatment of the Differences in the Levels of Development and Size of Economies (FTAA.TNC/18), as well as the proposals made by the NGMA in its report (FTAA.ngma/03/Rev.1/Add.1) and the NGAG (FTAA.ngag/05/Add.1/Rev.1) to the TNC.

Rules of Origin

Timetable and Modalities

The NGMA shall continue negotiations on general rules, *inter alia*, the level of *de minimis*, the application of the principle of accumulation, including during the transition period, and other relevant aspects, and shall present its initial proposals to the TNC at its next meeting. An *ad hoc* group shall be established and shall initiate, by 30 September 2002, negotiations on specific rules of origin. To this end, the *ad hoc* group shall establish a schedule for the submission and review of specific rules of origin product by product, by chapter or groups of chapters.

Identification and Inventory of Non-Tariff Measures

Without prejudice to completing the negotiation of their respective Chapters, the NGMA and the NGAG shall continue the process of notification and counter-notification of non-tariff measures and both groups shall present an initial report on 15 November 2002.

The NGMA and the NGAG shall begin, in their next meetings, to develop a methodology, which includes a schedule, where appropriate, for the elimination, reduction, definition, further definition, further disciplining and/or prevention of non-tariff barriers. This methodology shall be completed by 15 February 2003.

Hemispheric Database

The countries shall complete the Hemispheric Data Base within a period between 15 September and 15 November 2002 and shall keep it updated.

Agricultural Subsidies and Disciplines on Practices that Distort Trade in Agricultural Products

The NGAG shall continue its work toward fulfilling the mandates of the Buenos Aires Ministerial Declaration on the scope of and methodology for the elimination of export subsidies affecting trade in agricultural products in the hemisphere and on the types of measures and the methodology for developing the disciplines to be adopted for the treatment of all the other practices that distort trade in agricultural products, including those that have an effect equivalent to agricultural export subsidies. It shall submit a report on its progress at the next TNC meeting.

The NGAG shall continue its consideration of all the other issues and proposals submitted for its consideration and shall submit a report with the results of its deliberations to the next TNC.

NEGOTIATING GROUP ON SERVICES

The information inventory shall be updated, including the available statistics on trade in services.

Negotiating Modality

The initial offer shall be comprehensive and shall be in accordance with current laws and regulations. It shall be based on existing levels of international obligations or existing or improved domestic access opportunities.

Commercial Presence

Investment offers for the supply of services through commercial presence may be submitted and discussed in the NGSV, in the NGIN, or in both.

NEGOTIATING GROUP ON INVESTMENT

Negotiating Modality

The initial offer shall be comprehensive and shall be in accordance with current laws and regulations. A negative list approach shall be used.

Commercial Presence

Investment offers for the supply of services through commercial presence may be submitted and discussed in the NGSV, in the NGIN, or in both.

The Negotiating Groups on Services and Investment shall, as a general rule, continue to meet separately. However, if deemed necessary, both Groups may meet to hold joint discussions on issues in common, particularly commercial presence.

NEGOTIATING GROUP ON GOVERNMENT PROCUREMENT

Entities

There shall be broad coverage. Offers shall include central or federal level government entities, and may include entities belonging to other categories of government.

The NGGP is instructed to develop specific measures that take into account the differences in the level of development and size of the economies.